

HKFOODS

Half Year Financial Report 2025

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6 August 2025



Q2/2025 highlights

- Profitability developed well. The comparable EBIT continued to grow, and the result for the period from continuing operations also showed clear growth.
- Sales grew in the retail channel due to the growth in poultry and meat products.
- The investment in production in Eura was completed, and the investment in Vantaa progressed well.
- The comparable EBIT margin improved from the comparison period and from the previous quarter.
- We strengthened our position in the meat product market.
- The assessment of the future of the Polish unit was completed
 - The unit will continue as part of the group.
- Cash flow from business operations strengthened, interest-bearing net debt decreased.
- Outlook for 2025 remains unchanged.



Q2/2025: EBIT continued to grow

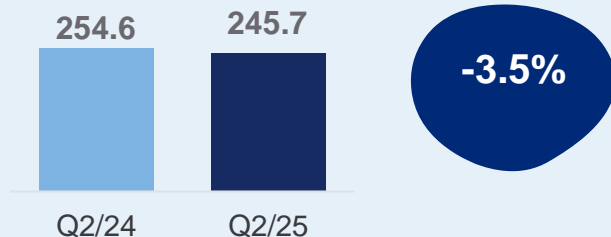
Net sales

- Net sales were affected by the food industry strike and shortage of beef. The cool early summer slowed down the start of the barbecue season.
- Retail sales grew due to the growth in poultry and meat products.
- Consumer demand in Finland strengthened slightly from early 2025, and HKFoods strengthened its position in the meat product market.
- Sales in the food service channel were at Q2/24 level.
- Industrial sales decreased according to plan.
- Export sales declined clearly, although sales in Q2/24 were boosted by the port strike in March 2024. Poultry meat exports to China developed according to plan.
- While net sales in the second quarter decreased slightly, January–June net sales were almost at the comparison period's level.

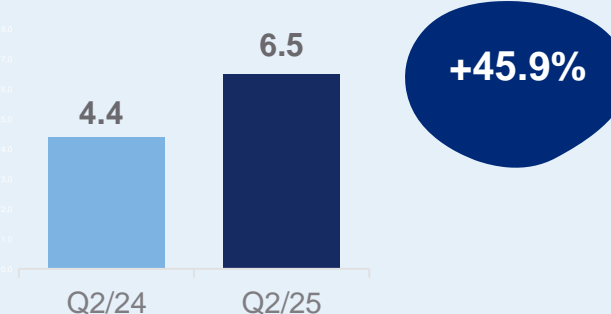
EBIT

- Comparable EBIT was strengthened by:
 - significant savings from the efficiency programme
 - a better sales mix
- Comparable EBIT was negatively impacted by:
 - the food industry strike and the overtime and shift change bans related to labour market negotiations
 - the shortage and increased purchase price of beef

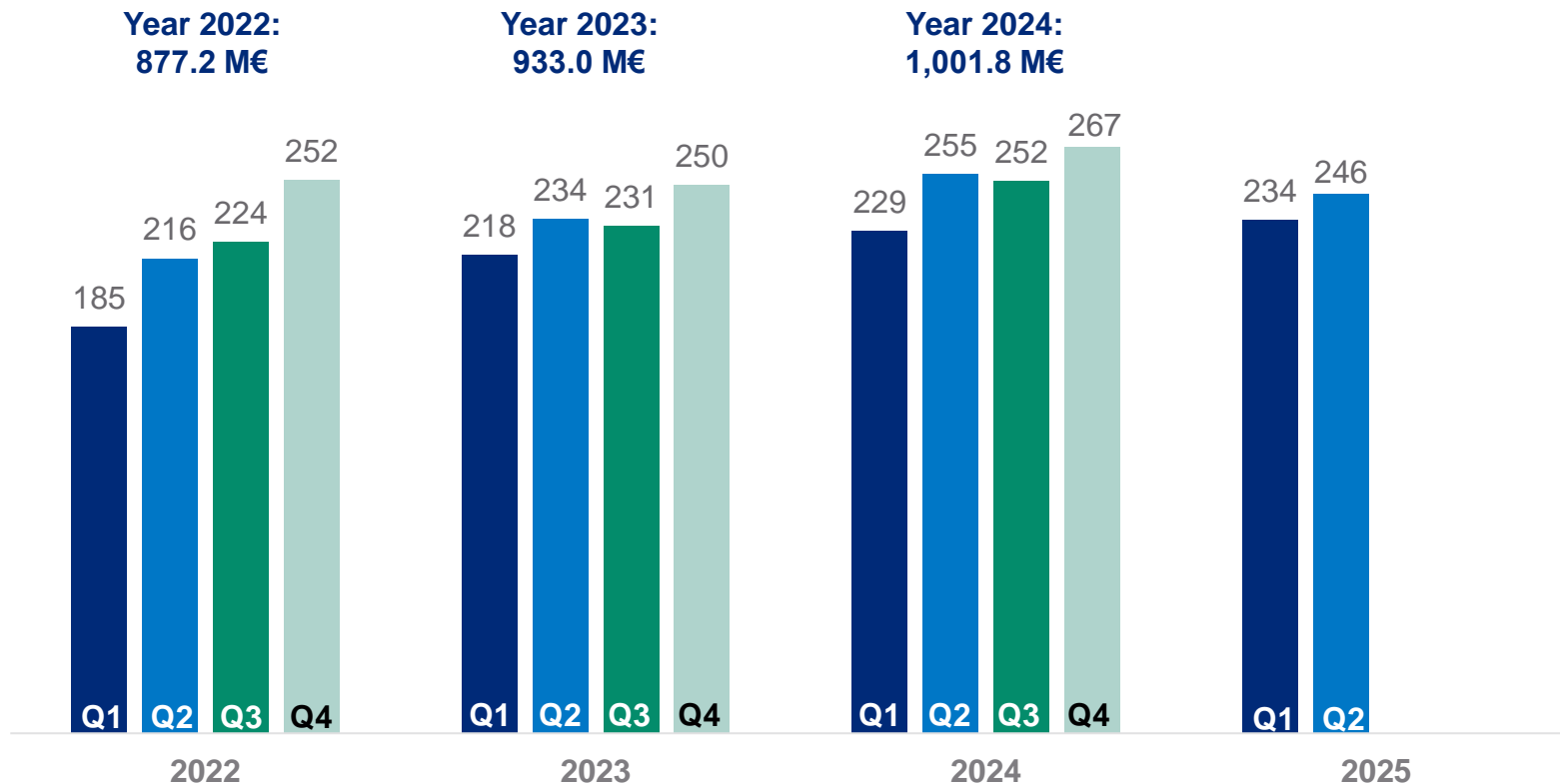
Net sales, M€, continuing operations



Comparable EBIT, M€, continuing operations

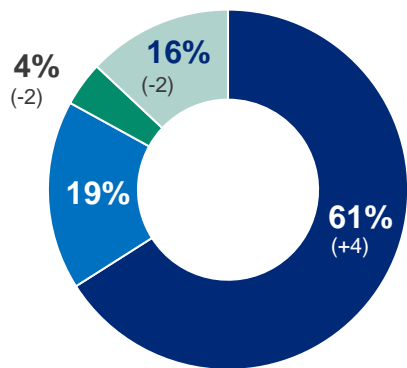


Quarterly net sales, M€, continuing operations



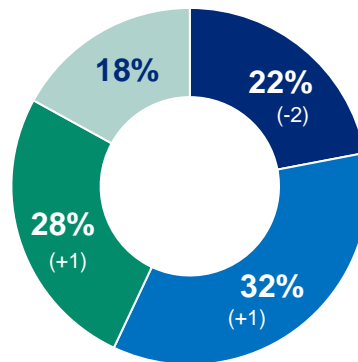
Net sales breakdown Q2/2025, continuing operations

Sales channels



- Retail
- Food service
- Industry
- Export

Categories



- Beef and pork
- Charcuterie, sausages and bacons
- Poultry
- Meals and meal components

- Changes in percentage points vs. Q2/2024 in parantheses
- Sales from Poland's bacon unit to Sweden are reported as external sales

Quarterly comparable EBIT from continuing operations, M€



Key events in April–June 2025



Food industry strike affected the availability of products, net sales and EBIT

- Following the failure of the mediation between the Finnish Food Workers' Union (SEL) and the Finnish Food and Drink Industries' Federation (ETL), a three-day strike in the meat and staple food sector took place in early April.
- HKFoods' units in Forssa, Mikkeli and Vantaa were covered by the strike.
- The strike and the overtime and shift change bans related to labour market negotiations significantly affected the availability of the company's products, caused a pig backlog at the company's contract farms and resulted in additional costs for HKFoods during the review period.



The good news from the spring collective agreement negotiations was the achievement of a three-year industrial peace agreement for the food industry.

The development investment in Eura production unit completed

- Our investment in the production of ready-to-eat products in Eura was completed. The new products from the production line were launched during Q2/25.
- The investment in meal production at the Vantaa unit progressed well during the review period, and the new technology products manufactured on the line will be launched in Q3/25.
- Besides improving profitability and increasing the added value, the investments in production will enable us to grow in line with our strategy in meals, meal components and snacks.



The Polish production unit continues as part of the group

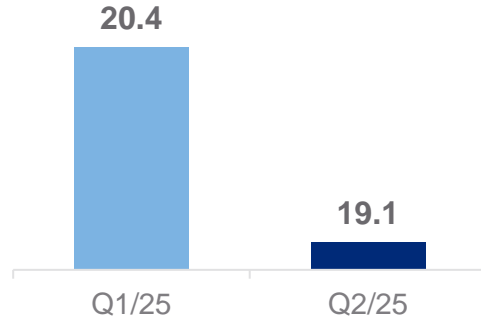
- During the review period, we conducted an assessment of the future of our production unit in Swinoujście, Poland, including the possible sale as one option.
- As a result of this assessment, we decided to continue with the current group structure, with the Polish bacon unit continuing to operate as part of the HKFoods Group.
- In recent years, we have made investments in the unit, and it is profitable.
- In the HKFoods Group's operations in Finland and Poland, we are now focusing on improving the competitiveness of our core business and profitability of our operations, and on commercial activities.

Events after
the reporting
period



We continued to improve safety with the goal of zero accidents at work

Accident frequency (LTIR) developed in the right direction



HKFoods Group's Lost Time Injury Rate (LTIR) of work accidents leading to sick leave among group's own workforce in Finland and Poland for the previous 12 months. The LTIR figure covers information of the subsidiaries Kivikylän kotipalvaamo Oy, Lihaturku Harri Tamminen Oy and Jokisen Eväät Oy since Q1/2025. No comparison figure is available for 2024.

Safety First

During the review period, we introduced a new HESQ system and new occupational safety guidelines.

We developed critical processes and continued training and communication.

Outlook for 2025 unchanged

HKFoods expects that in 2025 the Group's comparable EBIT will grow compared to 2024.

Outlook published on 14 February 2025



Financial review



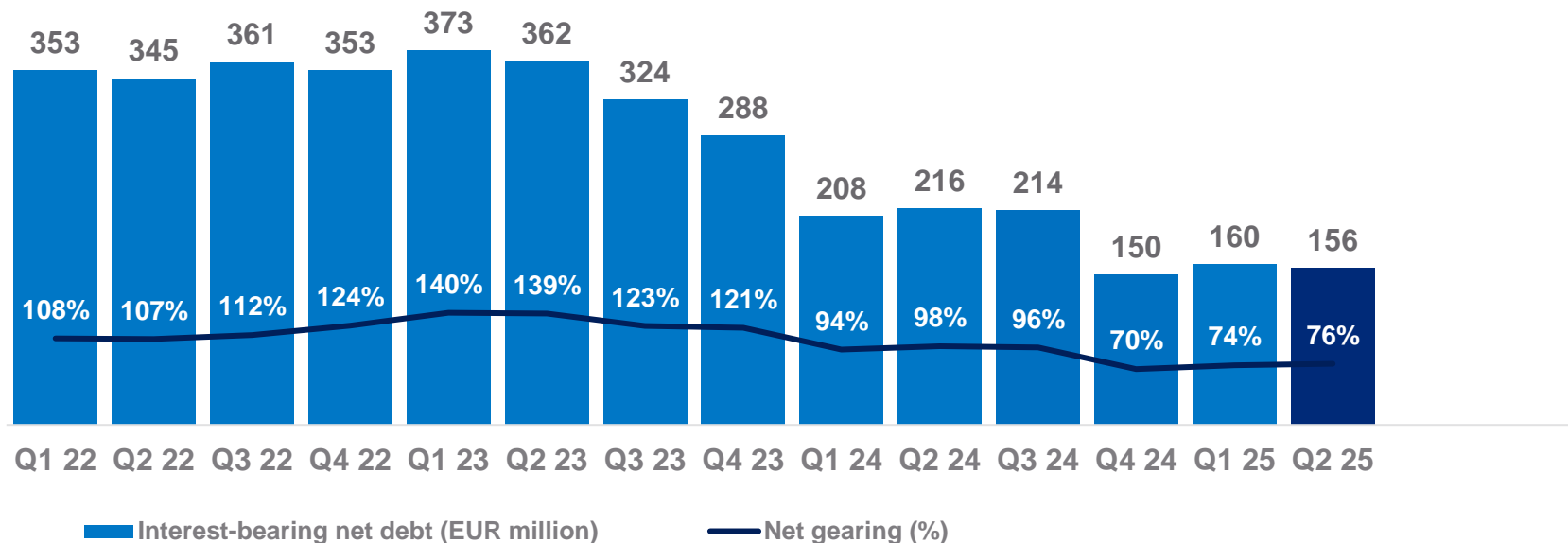
Key figures, continuing operations

EUR million	4-6/2025	4-6/2024	1-6/2025	1-6/2024	2024
Net sales	245.7	254.6	479.4	483.3	1,001.8
EBITDA	13.3	11.4	25.4	20.3	56.3
EBIT	6.2	3.1	10.8	4.3	22.4
- EBIT margin, %	2.5	1.2	2.3	0.9	2.2
Comparable EBIT	6.5	4.4	11.1	5.8	27.7
- EBIT margin, %	2.6	1.7	2.3	1.2	2.8
Profit for the period	2.0	-1.7	2.8	-5.5	-1.8
EPS, EUR	0.00	-0.03	0.00	-0.09	-0.09
Comparable EPS, EUR	0.01	-0.02	0.00	-0.07	-0.04

Key figures

EUR million	4-6/2025	4-6/2024	1-6/2025	1-6/2024	2024
Cash flow from operating activities, incl. discontinued operations	21.2	13.1	16.6	14.9	60.8
Cash flow after investing activities, incl. discontinued operations	15.4	-3.3	5.6	70.6	141.7
Return on capital employed (ROCE) before taxes, %, incl. discontinued operations			6.3	-1.1	0.9
Interest-bearing net debt			156.3	215.6	149.8
Net gearing, %			76.3	98.1	69.5
Leverage (Net debt to EBITDA ratio)			2.5	3.9	2.6

Interest-bearing net debt and net gearing

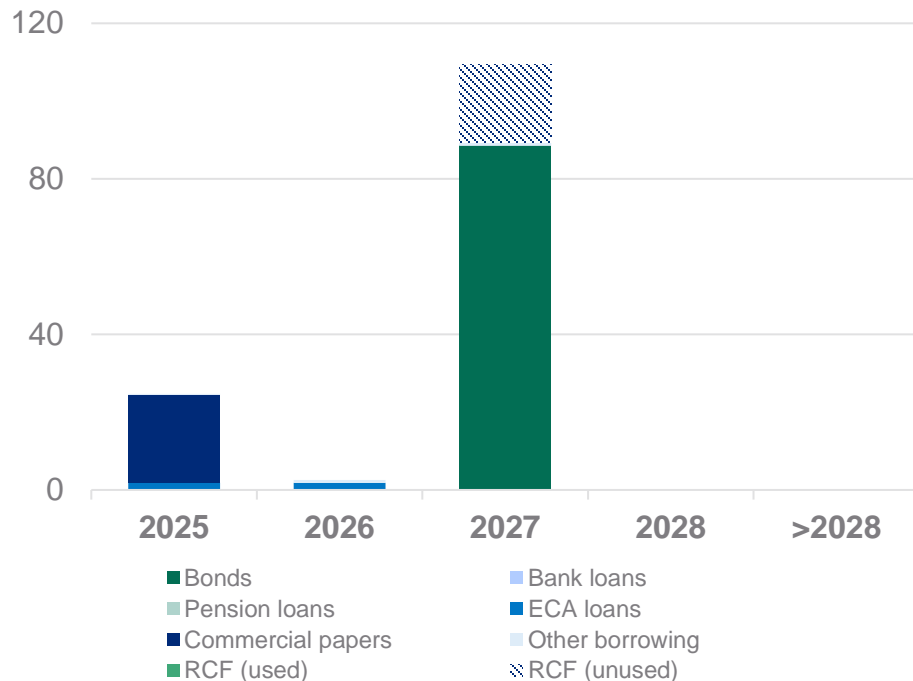


The net gearing ratio limit is 110 per cent until the end of June 2025.

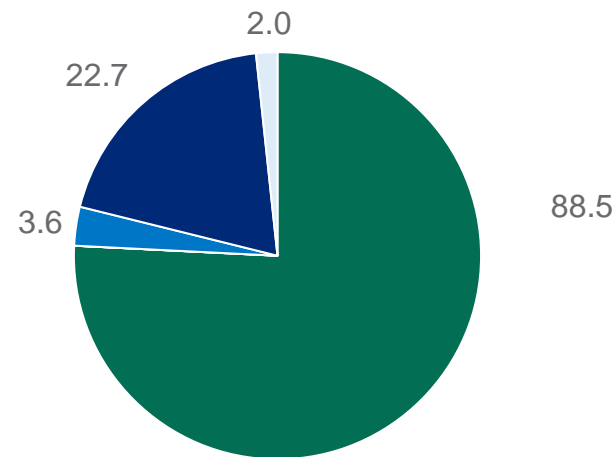
The net gearing ratio limit for the new bond is 120 per cent.

Debt profile and maturity structure as of 30 June 2025

Maturity of the Group's interest-bearing debt*, M€



Interest-bearing debt by credit type, M€*



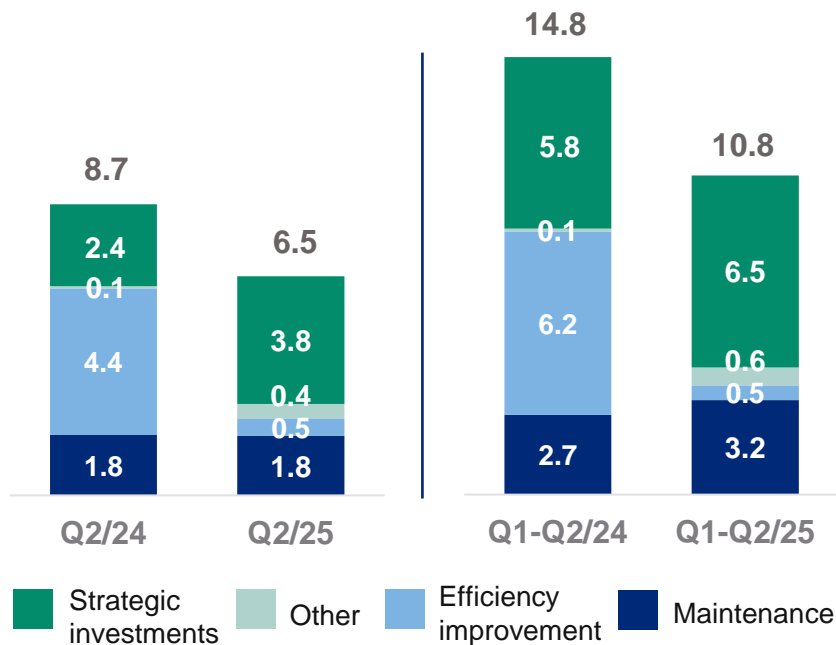
**Total interest-bearing debt without IFRS 16:
EUR 116.8 million**

*Without lease liabilities

*EUR 26 million hybrid bond is treated as equity

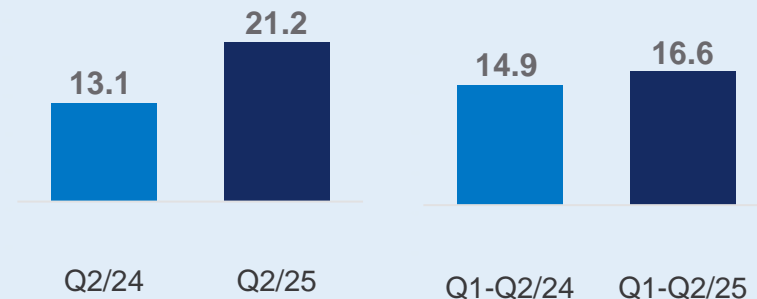
Investments

Group investments, M€, continuing operations

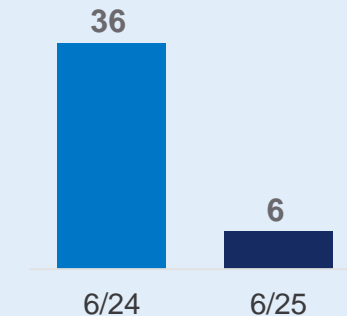


Cash flow and working capital

Cash flow from operating activities, M€, incl. discontinued operations



Working capital, M€, incl. discontinued operations



Favorite meats of summer 2025 (HK)



Favorite sausages of summer 2025 (HK)



**HELPPPOON JA
ONNISTUNEeseen
GRILLAAMISEEN.**



Chicken favourites of summer 2025 (Kariniemen)



OMASTA MIELESTÄMME NAPAKYMPPI

KARINIEMEN KLASSIKOT MINUUTTIPIHVI®
JA FILEESUIKALE NYT ENTISTÄKIN
PAREMPINA VALINTOINA.

*Tuoteryhmässään
rasvan ja suolan kannalta
parempi valinta.*



Hyvä syntyy hyvästä

The most popular easy everyday ready meals for consumers of summer 2025



Sneak peak – Autumn 2025 novelties from HK



Next financial report:
Q3 Interim Report on 5 November 2025



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